



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FILED

8-17-16
04:59 PM

Order Instituting Rulemaking Concerning
Energy Efficiency Rolling Portfolios, Policies,
Programs, Evaluation, and Related Issues.

Rulemaking 13-11-005
(Filed November 14, 2013)

**NOTICE OF EX PARTE COMMUNICATION OF THE CALIFORNIA
ENERGY EFFICIENCY INDUSTRY COUNCIL**

In accordance with Rule 8.4 of the Commission's Rules of Practice and Procedure, the California Energy Efficiency Industry Council (Efficiency Council) hereby gives notice of the following ex parte communication which was initiated by the Efficiency Council in the above proceeding with Commissioner Carla Peterman and Ehren Seybert, advisor to Commissioner Peterman.

On Friday, August 12, 2016 at approximately 3:00 p.m. Ted Pope, principal of 2050 Partners, Rich Sperberg, President of Onsite Energy, and Kellie Smith, Policy Director for the Efficiency Council, met in person with Commissioner Peterman at the Commission's offices at 770 L Street, Suite 1250, Sacramento, California for approximately 30 minutes.

During this communication the parties discussed the Proposed Decision (PD) issued in this proceeding on July 19th. Communications were oral and there were no materials distributed. The parties presented the Efficiency Council's positions on the following issues and recommended approaches to address referenced concerns.

- The industrial and agricultural sectors should not be excluded from the use of existing conditions baseline. The PD appropriately recognizes the significant savings that are being untapped in these sectors. The recommendation for a working group on custom review is positive but explicit timelines for the work should be established and CalTF should be designated the facilitator. The Strategic Energy Management programs referenced in the PD are more comprehensive than permitted and include capital projects.

- The Commission's concern for the double-counting of codes and standards (C&S) as a result of the use of existing conditions baseline is a material issue. Estimates of the amount of double-counting are on the order of 15% of total C&S savings but the PD proposes eliminating C&S goals and crediting of C&S savings entirely which would put the tremendous potential for future savings from C&S at risk. Several parties put forward somewhat similar but different targeted approaches to address double-counting in opening comments, any one of which will successfully address the issue without jeopardizing the C&S program.
- Transferring the administration of upstream and midstream programs to statewide administrators, which the PD notes is as much as 30 percent of the portfolio, is a significant undertaking and should be pursued cautiously given the potential impacts to utility staffing and programs. The PD applies the concepts of upstream and midstream much more broadly than is prudent. Specifically Government Partnerships and Emerging Technologies are not upstream and/or midstream programs and should be deleted from the group targeted for statewide administration. Additionally, downstream or customer-facing programs should not move to statewide administration at this time.

Dated this 16th day of August, 2016 at Gold River, California.

Respectfully submitted,

/s/ KELLIE SMITH

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